DEVELOPMENT, PANCHAYATI RAJ AND CO-OPERATION SECRETARIAT.

NOTIFICATION.

Bangalore, dated the 28th April 1965.

G. S. R. 521.—In exercise of the powers conferred by section 210 read with sub-clause (vii) of clause (A) of section 131 of the Mysore Village Panchayats and Local Boards Act, 1959 (Mysore Act 10 of 1959) and all other powers enabling it in this behalf, the Government of Mysore hereby makes the following rules to amend the Mysore Taluk Boards Employees House Building or House Purchase Advance Rules, 1961, the draft of the same having been previously published in Notification No. GSR 406, dated 30th December 1964 in the *Mysore Gazette* dated 18th February 1965, as required by sub-section (1) of section 210 of the said Act, namely :—

1. Title.—These rules may be called the Mysore Taluk Boards Employees House Building or House Purchase Advance (Amendment) Rules, 1965.

2. Amendment of the preamble.—In the preamble to the Mysore Taluk Boards Employees House Building or House Purchase Advance Rules, 1961 (hereinafter referred to as the said rule), for the brackets and figures "(VIII)", the brackets and figures "(vii)" shall be substituted.

3. Substitution of new rules for rules 4, 5, 6 and 7.—For rules 4, 5, 6 and 7 of the said rules, the following rules shall be substituted, namely :—

"**4. Power of Board to grant advances.**—The Board may subject to the provisions hereinafter appearing, grant an advance to an employee to enable him,—

(*a*) to construct a house for his own use either at the place of duty or at the place at which he proposes to settle after retirement ; or

(*b*) to purchase a building site for constructing a house for his own use, either at the place of duty or at the place at which he proposes to settle after retirement; or

(*c*) to purchase a built house in a village or town, which is the headquarter station of the employee or at the place at which he proposes to settle after retirement ; or

(*d*) to make additions or alterations or repairs to his house so as to make it better habitable provided that such additions or alterations are not in the nature of ordinary repairs.

5. Eligibility.—(1) Advance under these rules may be granted to —

(*a*) a permanent employee ; and

(*b*) a temporary employee on the guarantee of a permanent employee, if the temporary employee has rendered continuous service for a period of not less than five years and the Board is satisfied that he is likely to continue in service till the advance is fully repaid.

(2) Advance shall be granted to only one employee if both the husband and wife are in service and are eligible for the advance.

(3) No advance shall be granted to an employee who is likely to retire before complete recovery of the advance can be effected, and to those employees who have drawn loans under the Low Income Group Housing Scheme.

(4) A second advance shall not be granted in any case for any purpose referred to in clauses (a), (b) and (c) of rule 4.

(5) A second advance for the purpose referred to in clause (d) of rule 4 shall not be granted to an employee while any portion of the previous advance is outstanding against him, or within three years from the date of drawing such advance.

6. Amount of Advance.—(1) The amount of advance for construction of a house shall, in no case, exceed 'forty-two months' pay of the employee or six thousand rupees, whichever is less.

(2) The amount of advance for the purchase of a building site for constructing a house for his own use shall, in no case exceed nine months' pay of the employee or one thousand and two hundred rupees, whichever is less.

(3) An advance for the purchase of a house shall, in no case, exceed forty-two months' pay of the employee or five thousand rupees, whichever is less.

(4) An advance for additions or alterations or repairing a house shall, in no case, exceed six months' pay of the employer or one thousand rupees, whichever is less.

Explanation.—Special pay or duty allowance may also be taken into account as "PAY" for the purpose of fixing the amount of advance.

7. Conditions upon which Advances shall be granted.—(1) An advance under rule 4 shall be granted subject to the following conditions, namely :—

(*a*) the house or the building site in respect of which the advance is required shall be mortgaged to the Board by the employee. The mortgage deed shall be in Form No. 1;

(*b*) the amount of the advance shall not be spent for any purpose other than that for which it is granted;

(*c*) where the advance is granted for the construction of a new house or for the purchase of a built house it shall be repaid in full together with interest in monthly instalments within a period not exceeding twelve years. The principal is recoverable in not more than one hundred and sixteen instalments and the interest in not more than twenty-eight instalments thereafter;

(*d*) where the advance is granted under clause (d) of rule 4, it shall be repaid in monthly instalments within a period of two years ;

(*e*) the advance shall be repaid with simple interest at five per cent per annum or at such rate as may be prescribed from time to time by the State Government in respect of house building advances made by the State Government to State Government servants. Penal interest at nine per cent shall be recoverable on overdue instalments. An instalment not paid on the due date owing to the pay of the employee from which it was recoverable being withheld for want of sanction of leave or other cirmcumstances shall not be considered as an overdue instalment provided the amount so withheld is adequate to repay the overdue instalment or instalments ;

(*f*) the amount of monthly instalment shall be deducted monthly from the pay of the employee and credited towards repayment of the advance. The recovery of interest will commence from the month following that in which the repayment of the principal would be completed ;

(*g*) the amount to be recovered monthly shall be fixed in whole rupees, except the last instalment which may include fraction of a rupee ;

(*h*) recovery of advance granted for constructing a new house or for repairing, improving or enlarging an existing house shall commence from the sixth month following the month of drawal of the first instalment. In the case of advances taken for purchasing a built house, recovery shall commence with the first issue of pay following the month in which the advance is drawn ;

(*i*) the employee may repay the amounts in a shorter period if he so desires, but the entire advance shall in any case be repaid in full with interest thereon before the date on which he is due to retire from service ;

(*j*) in order to avoid undue hardship to an employee who is due to retire within twelve years of the date of application for the grant of an advance, the Board may permit him to repay the advance with interest in convenient monthly instalments (the amount of which shall not be less than the amount of monthly instalments on the basis of repayment within a period of twelve years, during the remaining period of his service, provided he agrees to the modification of the prescribed agreement (in Form No. 4) and mortgage deed, to the effect that the Board shall be entitled to recover the balance of the said advance with interest remaining unpaid at the time of retirement, or death, if he dies while in service ;

(*i*) from the Insurance amount due on the Policy or Policies assigned in favour of Board at the time of grant of advance ; or

(*ii*) from the whole or any specified part of the Death-*cum*-Retirement Gratuity that may become payable to him or to his heirs ;

(*k*) in case the employee fails to repay the balance of the advance due to the Board fully on or before the date of his retirement, the Board may enforce the security of the mortgage at any time thereafter and recover the balance of the advance due together with interest and cost of recovery, by sale of the house or in such other manner permissible under the law".

4. Amendment of rule 9.—In clause (a) of sub-rule (9) of rule 9 of the said rules, for the word "from", the word "Form" shall be substituted.

[No. DPC 16 RPA 62.]

By Order and in the name of the Governor of Mysore,

SYED GULAM KHAJA, *Under Secy.*